



**STATEMENT OF JAMES BITTNER, SINGER FARMS**

**On behalf of**

**THE U.S. APPLE ASSOCIATION**

**Before the**

**SUBCOMMITTEE ON GENERAL FARM COMMODITIES AND RISK  
MANAGEMENT**

**of the**

**HOUSE AGRICULTURE COMMITTEE**

**OCTOBER 2, 2003**

Good morning, Mr. Chairman, distinguished members of the Committee and guests. My name is Jim Bittner, apple grower and owner of Singer Farms in Appleton, N.Y. Singer Farms is a 500-acre orchard, with over 200-acres of apples. I appreciate the opportunity to testify on apple crop insurance before the Committee on behalf of the U.S. Apple Association (USApple).

USApple is the national trade association representing all segments of the apple industry. Members include 40 state and regional apple associations representing growers across the country, as well as individual companies. USApple's mission is to provide the means for all industry segments to join in appropriate, collective efforts to profitably produce and market apples and apple products. Total U.S. apple farm-gate revenue was \$1.6 billion in 2002, according to the U.S. Department of Agriculture (USDA).

An improved apple crop insurance program is critical for U.S. apple growers. A workable program would provide a valuable risk management tool and help reduce financial disaster from weather-related crop loss. It would also allow growers to further improve marketing, while reducing market risk and providing additional market opportunities. The financial stability of agricultural lenders would be enhanced for the benefit of growers, who would have access to otherwise unavailable credit.

*703 442-8850*

*800 781-4443*

*fax 703 790-0845*

*Web site [www.usapple.org](http://www.usapple.org)*

*8233 Old Courthouse Road, Suite 200 ★ Vienna, VA 22182-3816 USA*

I can speak personally to crop devastation caused by severe weather beyond a grower's control. In the summer of 1997, my orchard suffered horrific hail damage, causing my apples to be rendered unmarketable for the fresh market. I did not have crop insurance for my apples and endured tremendous financial loss. The following year, my bank strongly encouraged me to purchase apple crop insurance if I wanted to continue to work with them.

Since 1998, I have purchased crop insurance for my apples and have experienced the benefits and the shortcomings of the current apple policy. I would like to discuss with you two areas of dire importance to improve crop insurance for all U.S. apple growers. Those two areas are the need for a complete, all-peril apple crop insurance policy based on current apple market standards, and the utilization of public right-of-ways to formulate optional units in apple orchards for crop insurance protection purposes.

As an apple grower, I can protect my crop against disease using integrated pest management techniques. As an apple grower, I can influence the size and color of my apples through thinning and pruning each tree. As an apple grower, I choose what variety of apples to grow and how to market my crop. Unfortunately, as an apple grower, I cannot control the weather. This is a fact that my fellow growers and I accept as part of the job. However, along with this acceptance comes the knowledge that there is insurance intended to help us manage our weather-related risk. Unfortunately, current federal apple crop insurance falls far short of protecting my investment in my crop against all weather-related perils.

Currently, apple growers can protect their fresh apples against hail, wind and frozen apple damage. These are the only three covered weather-related perils out of dozens of potential disasters facing today's apple growers. For example, apples damaged by a spring frost or sunburned by a midsummer heat wave are not covered in the current policy.

During the spring of 2002, apple growers throughout New York, New England, Pennsylvania, Virginia, the Southeast, Michigan and other parts of the Midwest experienced the worst spring frost damage in fifty years. Growers suffered devastatingly low apple production and quality losses as a result. Apple trees were in full bloom when multiple, consecutive days of below freezing temperatures killed many blossoms and left the surviving blossoms to produce disfigured and mutated apples. Unfortunately, these damaged, low-grade apples were not covered by the current apple crop insurance policy even though the growers had provided the best care possible for their crop and their trees. Growers could not sell the apples and did not receive a crop insurance indemnity for them. Due to this dramatic loss of income, many apple growers were on the brink of bankruptcy, if not completely forced out of business.

This single devastating spring frost in 2002 highlighted the dismal inadequacies of the apple crop insurance policy and was one of the major reasons the apple industry sought disaster relief from Congress. On behalf of USApple, I want to especially thank the House Agriculture Committee, notably its leaders and staff, for their successful work in support of equitable treatment for specialty growers in the disaster bill approved by Congress earlier this year. We appreciate your efforts and thank you.

In an effort to reduce the need for future disaster assistance payments, apple growers partnered with USDA's Risk Management Agency (RMA) in a determined effort to improve the apple crop insurance policy. USApple's Risk Management Task Force, comprised of grower and state representatives, worked closely with RMA to craft the outlines of a workable policy. However, several issues appear to remain unresolved.

**As apple growers, we are asking RMA to revise the current apple crop insurance policy to make it a complete, all-peril policy based on current apple market standards. An all-peril**

policy would not break out each peril as a separate coverage option for growers to select, but instead insure the grower for any and all losses that could not be prevented.

An all-peril apple policy would provide fair and balanced coverage for all growers and prevent discrepancies that may arise in enforcing separate options. For example, under the current policy, the grower has the option to purchase coverage against apples being frozen. However, frost damage is *not* a covered peril. Many growers and insurance agents selling the policies believed frozen apples and frost-damaged apples were the same, however, when a claim was filed, clarification was given on the differences. To create even more confusion, some growers received an indemnity for the frost-damaged apples, while others did not. An all-peril policy would be clear and straightforward, alleviating confusion and inconsistencies. Growers and insurance agents would know that all unpreventable perils are covered.

**Another area of major concern is the grower's inability to divide their orchards into separate, optional units using discernible breaks.** Optional units are advantageous in an orchard because growers are more likely to meet claim thresholds if the units are smaller. However, under the current policy, growers are unable to define the size of their orchard units, unless a unit can be defined as noncontiguous. The current apple crop insurance policy definition of noncontiguous is "any two or more tracts of land whose boundaries do not touch at any point, except that land separated only by a public or private right-of-way, waterway, or an irrigation canal will be considered as contiguous." Growers should be able to use public right-of-ways and other obvious boundaries as unit dividers.

I have attached a photograph to show how a public right-of-way acts as a discernible break. The following photograph shows a public road dividing an apple orchard. This grower uses the road as a discernible break and maintains separate records for both sections of his orchard. Separate records include spray records, USDA worker protection requirements, volume and quality of apples produced, planting patterns, and varieties grown. The road divides the orchard by approximately fifty feet, and is maintained by the town with federal money. The grower cannot plant trees or remove the road. Yet, under the current policy, the road, a public right-of-way, is not a discernible break (a divider). Therefore, the orchard is contiguous, and it is considered one unit.

We are asking that this public right-of-way and similar public right-of-ways be used to create separate, optional units for apple orchards. As an aside, for annual crops, a grower may divide his acreage into section equivalents. These section equivalents are created using public roads. Apples and other perennial crops are not grown in sections, but growers do have public roads dividing their orchards. In summary, we strongly urge that a revised apple crop insurance policy allows apple growers to divide their orchards into separate units, using public rights-of-way and other discernible breaks.

In late August, USApple's Board of Trustees approved adoption of a revised federal apple crop insurance policy, as recommended by USApple's Risk Management Task Force. This revised apple policy is a complete, all-peril policy, and allows apple growers to create optional units using public right-of-ways and public irrigation canals. We are asking RMA to adopt our recommended revised apple crop insurance policy in its entirety.

On behalf of U.S. apple growers, I ask the Subcommittee to lend its support to this effort.

Before concluding, I would also like to thank USDA's RMA staff who have recognized the shortcomings of the current apple policy, and collaborated with USApple in an effort to address the concerns I have touched on today, plus many more. While I thank RMA for their work, the job is not yet complete. Apple growers throughout the nation need this revised all-peril crop

insurance policy based on current apple market standards. I need and want this improved risk management tool. Let's get the job done right, so U.S. apple growers will have the workable risk management tool they need to survive.

Thank you for the opportunity to explain some of the issues facing apple growers concerning crop insurance. I would be glad to answer any questions you have.

Attachment: photograph



Committee on Agriculture  
U.S. House of Representatives  
Information Required From Non-governmental Witnesses

House rules require non-governmental witnesses to provide their resume or biographical sketch prior to testifying. If you do not have a resume or biographical sketch available, please complete this form.

1. Name: James J Bittner
2. Business Address: 6730 East Lake Rd  
Appleton, NY 14008
3. Business Phone Number: 716-778-7335
4. Organization you represent: US Apple
5. Please list any occupational, employment, or work-related experience you have which add to your qualification to provide testimony before the Committee:  
Apple grower
6. Please list any special training, education, or professional experience you have which add to your qualifications to provide testimony before the Committee:  
Graduate of Cornell University, Pres of  
the New York State Horticultural Society
7. If you are appearing on behalf of an organization, please list the capacity in which you are representing that organization, including any offices or elected positions you hold:

PLEASE ATTACH THIS FORM OR YOUR BIOGRAPHY TO EACH COPY OF TESTIMONY.

Committee on Agriculture  
U.S. House of Representatives  
Required Witness Disclosure Form

House Rules\* require nongovernmental witnesses to disclose the amount and source of Federal grants received since October 1, 2001.

Name: James J Bitner  
Address: 6730 East Lake Rd - Appleton, NY  
Telephone: 716-778-7330  
Organization you represent (if any): \_\_\_\_\_

1. Please list any federal grants or contracts (including subgrants and subcontracts) you have received since October 1, 2001, as well as the source and the amount of each grant or contract. House Rules do NOT require disclosure of federal payments to individuals, such as Social Security or Medicare benefits, farm program payments, or assistance to agricultural producers:

Source: None Amount: \_\_\_\_\_  
Source: \_\_\_\_\_ Amount: \_\_\_\_\_

2. If you are appearing on behalf of an organization, please list any federal grants or contracts (including subgrants and subcontracts) the organization has received since October 1, 2001, as well as the source and the amount of each grant or contract:

Source: See attached Amount: \_\_\_\_\_  
Source: \_\_\_\_\_ Amount: \_\_\_\_\_

Please check here if this form is NOT applicable to you: \_\_\_\_\_

Signature: James J Bitner

\* Rule XI, clause 2(g)(4) of the U.S. House of Representatives provides: Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof. In the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include a curriculum vitae and a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by any entity represented by the witness.

PLEASE ATTACH DISCLOSURE FORM TO EACH COPY OF TESTIMONY.

# **Federal Grants**

## **U.S. Apple Association U.S. Apple Export Program**

### **July 1, 2001-June 30, 2002**

1.	Market Analysis Program (MAP)	\$408,388
2.	Section 108	\$100,000
3.	Cochran	\$23,344

Source: USDA

### **July 1, 2002-June 30, 2003**

1.	Market Analysis Program (MAP)	\$559,386
2.	Section 108	\$100,000
3.	EMO (Emerging Markets Program)	\$70,000

Source: USDA